



UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

March 2022 Grand Jury

UNITED STATES OF AMERICA,

CR 8:22-cr-00056-PA

Plaintiff,

I N D I C T M E N T

v.

[18 U.S.C. § 1349: Conspiracy to Commit Wire Fraud; 18 U.S.C. § 1343: Wire Fraud; 18 U.S.C. § 2326(2): Telemarketing Fraud Against the Elderly; 18 U.S.C. § 2328(a): Criminal Forfeiture]

MICHAEL MCDONAGH,
ANTONIO DUARTE,
CHRISTOPHER JAMES VANNOY,
aka "Chris James,"
FRANK ANTHONY MOLINA,
aka "Anthony Molina," and
RUBEN ORTIZ,

Defendants.

19

20 The Grand Jury charges:

21 INTRODUCTORY ALLEGATIONS

22 At times relevant to this Indictment:

23 1. Defendants MICHAEL MCDONAGH, ANTONIO DUARTE, CHRISTOPHER
24 JAMES VANNOY, also known as ("aka") "Chris James," FRANK ANTHONY
25 MOLINA, aka "Anthony Molina," and RUBEN ORTIZ resided within the
26 Central District of California.

27 2. Defendant MCDONAGH controlled Global Transfer, Inc.

28 ("Global Transfer"), a telemarketing company that operated in the

1 Central District of California from at least August 2015 until
2 defendant MCDONAGH dissolved the company in or around February 2016.

3 3. Defendant MCDONAGH controlled Global Transfer SoCal, Inc.
4 ("GTS"), a telemarketing company that operated in the Central
5 District of California from at least in or around December 2015.

6 4. Defendant MCDONAGH controlled Nationwide Transfer, Inc.
7 ("NT"), a telemarketing company that operated in the Central District
8 of California from at least in or around July 2017.

9 5. Defendant MCDONAGH caused the formation of Nationwide Exit
10 Specialist, Inc. ("NES"), a telemarketing company that was created
11 around August 2017 and started operating in the Central District of
12 California from at least in or around April 2018. Once NES began
13 business operations, defendant ORTIZ had authority over NES's
14 business operations as the chief executive officer, chief financial
15 officer, and sole director of the company.

16 6. Global Transfer, GTS, NT, and NES are collectively referred
17 to as the "Telemarketing Companies." The Telemarketing Companies
18 purported to offer services to assist customers who wanted to
19 terminate and/or rescind their ownership interest in timeshare
20 properties.

21 7. Defendants DUARTE, VANNOY, MOLINA, and ORTIZ, and co-
22 conspirator Darrick Robert Morrell, worked at one or more of the
23 Telemarketing Companies.

24 8. DocuSign, Inc. ("DocuSign") was an electronic signature
25 technology company that the Telemarketing Companies used to digitally
26 transfer contracts to customers to solicit the customers' electronic
27 signatures. DocuSign maintained servers outside of California, and
28 thus any time a document was transferred from one person to another

1 using DocuSign's software, DocuSign would cause the document to be
2 transmitted by means of wire communication to servers outside of
3 California.

4 9. These Introductory Allegations are incorporated into each
5 Count of this Indictment.

1 COUNT ONE

2 [18 U.S.C. §§ 1349, 2326(2)]

3 [ALL DEFENDANTS]

4 A. OBJECT OF THE CONSPIRACY

5 10. Beginning no later than in or about 2015 and continuing
6 through on or about May 16, 2019, in Los Angeles, Orange, and
7 Riverside Counties, within the Central District of California, and
8 elsewhere, defendants MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ
9 knowingly conspired with each other and others known and unknown to
10 the Grand Jury to commit wire fraud, in violation of Title 18, United
11 States Code, Section 1343, in connection with the conduct of
12 telemarketing and email marketing, as defined in Title 18, United
13 States Code, Section 2325, and, in so doing, victimized ten or more
14 persons over the age of 55.

15 B. THE MANNER AND MEANS OF THE CONSPIRACY

16 11. The object of the conspiracy was to be carried out, and was
17 carried out, in substance, as follows:

18 a. Defendant MCDONAGH would register and assist in
19 registering the Telemarketing Companies with the California Secretary
20 of State.

21 b. At the direction of MCDONAGH and other co-
22 conspirators, employees of the Telemarketing Companies, referred to
23 as "openers," would contact potential victims who were timeshare
24 owners and offer to help them terminate their timeshare interest for
25 a fixed fee. If the timeshare owner expressed possible interest in
26 the Telemarketing Companies' services, the openers would transfer the
27 call to a "closer" working for one of the Telemarketing Companies.

c. Upon receiving a transferred call from an opener, defendants MCDONAGH, DUARTE, VANNOY, and MOLINA, and other co-conspirators, would convince victims to enter into contracts with the Telemarketing Companies by falsely representing that the Telemarketing Companies would get the victim out of their timeshare interest for a "one time" fee, that the Telemarketing Companies' services came with a refundable money-back guarantee, and that the Telemarketing Companies had a high success rate in obtaining large restitution and other payments from timeshare companies.

d. Defendants DUARTE, VANNOY, and MOLINA, and other co-conspirators, would, within weeks of a victim paying the purported "one time" fee, contact victims and knowingly make false and fraudulent statements, representations, and promises for the purpose of inducing the victims to send more money to the Telemarketing Companies, which the co-conspirators referred to as "upgrade" payments, including that:

i. if the victim paid an additional fee to the Telemarketing Companies, the Telemarketing Companies would secure a large "settlement" payment for the victim based on a purported ongoing class action lawsuit or other litigation against the victim's timeshare company;

ii. if the victim paid an additional fee to the Telemarketing Companies, the Telemarketing Companies would secure a large "restitution" payment from the victim's timeshare company because the timeshare company had purportedly rented out the victim's timeshare property without the victim's permission;

iii. the additional fee being requested would be refunded to the victim once the victim's timeshare company paid the settlement and/or restitution payment; and

iv. the victim could not communicate with their timeshare company, including inquiries related to the "restitution" and/or "settlement" payments the victim would purportedly receive because the victim's timeshare company required the victim to sign a non-disclosure agreement ("Fraudulent NDA").

e. In fact, as defendants MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ then knew:

i. the co-conspirators did not know of any class action lawsuit or conduct by the victims' timeshare companies that would result in large settlement or restitution payments to the victims;

ii. the victims' timeshare companies would not negotiate with employees of the Telemarketing Companies, and thus the Telemarketing Companies could not secure settlement or restitution payments for the victims;

iii. the victims' timeshare companies did not agree to pay large restitution or settlement payments to the victims; and

iv. the victims' timeshare companies did not require the victims to sign the Fraudulent NDAs, but rather, the Telemarketing Companies used the Fraudulent NDAs to prevent the victims from contacting the timeshare companies to inquire about the purported settlement and/or restitution payments, which would reveal the Telemarketing Companies' fraud.

f. Defendants MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ, and others at their direction, would omit and conceal material

1 facts from the victims, including the fact that none of the upgrade
2 payments sought by the Telemarketing Companies were used for the
3 purpose of obtaining restitution or settlement payments from the
4 timeshare companies, but were rather used for the purpose of
5 personally enriching defendants MCDONAGH, DUARTE, VANNOY, MOLINA, and
6 ORTIZ.

7 g. Defendant MCDONAGH would instruct employees of the
8 Telemarketing Companies to "take no prisoners," have "no remorse"
9 when interacting with victims, and to "take every penny you can from"
10 the victims "so they cannot sue" the Telemarketing Companies.

11 h. Defendant MCDONAGH and others would instruct employees
12 of the Telemarketing Companies to alter customer files and destroy
13 evidence related to upgrade payments received by the Telemarketing
14 Companies to conceal their fraud.

15 i. The co-conspirators would cause victims' timeshare
16 company ownership interests to be transferred to individuals who had
17 no intention of making payments to the timeshare companies or
18 otherwise fulfill the obligations of a timeshare transferee,
19 including Individual 1 and Individual 2.

20 j. To give the Telemarketing Companies the appearance of
21 legitimacy, and to induce the victims into paying the Telemarketing
22 Companies money, defendant MCDONAGH and other co-conspirators would
23 direct Telemarketing Companies' employees to create fake positive
24 reviews on various websites, including the Telemarketing Companies'
25 profiles on the Better Business Bureau ("BBB's") website.

26 k. Defendants MCDONAGH and ORTIZ would create and/or
27 operate new telemarketing companies after victims lodged complaints
28 with the BBB, consumer protection agencies, and/or law enforcement

1 agencies about being defrauded by the existing telemarketing company,
2 namely GTS.

3 1. Through this conspiracy, defendants MCDONAGH, DUARTE,
4 VANNOY, MOLINA, and ORTIZ, and other co-conspirators fraudulently
5 obtained more than \$5 million from victims.

6 C. OVERT ACTS

7 12. In furtherance of the conspiracy and to accomplish its
8 object, on or about the following dates, defendants MCDONAGH, DUARTE,
9 VANNOY, MOLINA, and ORTIZ, and others known and unknown to the Grand
10 Jury, committed various overt acts within the Central District of
11 California, and elsewhere, including, but not limited to, the
12 following:

13 Creation of Global Transfer, GTS, NT, and NES

14 Overt Act No. 1: On August 20, 2015, defendant MCDONAGH
15 caused articles of incorporation for Global Transfer to be filed with
16 the California Secretary of State.

17 Overt Act No. 2: On December 28, 2015, defendant MCDONAGH
18 caused articles of incorporation for GTS to be filed with the
19 California Secretary of State.

20 Overt Act No. 3: On July 10, 2017, defendant MCDONAGH caused
21 articles of incorporation for NT to be filed with the California
22 Secretary of State.

23 Overt Act No. 4: On August 1, 2017, defendant MCDONAGH caused
24 articles of incorporation for NES to be filed with the California
25 Secretary of State.

26 Overt Act No. 5: On February 26, 2018, defendant ORTIZ opened
27 a Bank of America, N.A. bank account ending in 1551 for NES.

1 Overt Act No. 6: On February 26, 2018, defendant ORTIZ opened
2 a Citibank bank account ending in 1448 for NES.

3 Overt Act No. 7: On March 16, 2018, defendants ORTIZ and
4 VANNOY added defendant VANNOY as a signatory to the NES's Bank of
5 America, N.A. account ending in 1551.

6 Overt Act No. 8: On April 9, 2018, defendant MCDONAGH sent
7 documents by email to a payment processing company to help set up an
8 account for NES.

9 Overt Act No. 9: On May 7, 2018, defendant MCDONAGH sent an
10 email to a payment processing company asking it to set up an account
11 for NES, attaching a blank check from NES's Bank of America account
12 ending in 1551.

13 Overt Acts Relating to Specific Victims

14 **Victim K.M.**

15 Overt Act No. 10: In March 2016, co-conspirator Darrick Robert
16 Morrell called victim K.M. on the telephone and solicited money from
17 victim K.M. based on the fraudulent representations that K.M.'s
18 timeshare company had illegally rented out K.M.'s timeshare unit and
19 had offered to pay victim K.M. a settlement of approximately \$27,000,
20 and that GTS would help K.M. receive this purported settlement if
21 K.M. paid GTS.

22 **Victim C.R.**

23 Overt Act No. 11: On January 9, 2017, defendant DUARTE sent
24 victim C.R. an email soliciting a "one time" fee of \$5,500 that
25 falsely represented, among other things, that GTS's services were
backed by a purported 180-day money back guarantee.

27 Overt Act No. 12: On January 19, 2017, a co-conspirator caused
28 an upgrade contract to be sent by email to victim C.R. that solicited

1 an additional service fee of \$3,500 for the "dispute of ownership of
2 the restitution of \$105,000.00."

3 Overt Act No. 13: On March 13, 2017, defendant DUARTE sent
4 victim C.R. an email falsely stating, "As we just discussed we are
5 working on your dispute of ownership and in need of the fees that
6 were mentioned to expedite the process and bring a resolve to this
7 matter. The negotiation amount of the \$192,582.86 has been
8 established. The \$17,895.00 is the last payment needed and there
9 will be no additional incurred costs beyond this point."

10 Overt Act No. 14: On July 17, 2017, defendant DUARTE sent
11 victim C.R. an email soliciting an additional fee of \$16,918.71 and
12 falsely stating, "[p]er our conversation on 7/17/2017 Diamond Resort
13 has agreed to the terms set forth for the disbursement of the
14 restitution of \$225,582.86 for the violation of several consumer
15 protection laws."

16 Overt Act No. 15: On December 1, 2017, in a text message
17 conversation, defendant MCDONAGH and co-conspirator Morrell discussed
18 soliciting money from victim C.R. During the conversation, co-
19 conspirator Morrell stated that "me and [defendant VANNOY] and
20 [defendant DUARTE] had a[n] agreement about [victim C.R.]. That if
21 she was ever hit, we would all be a part of it."

22 **Victim C.M.W.**

23 Overt Act No. 16: On January 13, 2017, a GTS employee called
24 victim C.M.W. and solicited money based on the fraudulent
25 representation that victim C.M.W.'s timeshare had illegally rented
26 her timeshare unit and therefore owed victim C.M.W. over \$34,000 in
27 restitution.

1 Overt Act No. 17: On January 13, 2017, using DocuSign
2 software, a GTS employee sent an upgrade contract to victim C.M.W.
3 soliciting a service fee related to restitution that C.M.W. was
4 purportedly owed.

5 Overt Act No. 18: On May 22, 2017, defendant DUARTE sent an
6 email to victim C.M.W. to solicit an additional \$6,725 based on the
7 fraudulent representation that victim C.M.W. would receive \$82,225.67
8 in restitution from victim C.M.W.'s timeshare company. In the email,
9 defendant DUARTE further falsely stated that "this entire process is
10 guaranteed until your case is resolved."

11 **Victim R.G.**

12 Overt Act No. 19: On or before March 13, 2017, a co-
13 conspirator spoke with victim R.G. on the telephone and falsely
14 represented to victim R.G. that he would receive a substantial
15 restitution payment.

16 Overt Act No. 20: On March 13, 2017, an employee of GTS
17 transmitted an upgrade contract to victim R.G. that solicited a
18 service fee of \$4,695 purportedly for the "dispute of ownership for
19 the restitution of \$61,426.00."

20 Overt Act No. 21: On March 20, 2017, defendant VANNOY sent
21 victim R.G. an email that falsely stated that GTS's services came
22 with a "%100 Money Back Guarantee!!!".

23 Overt Act No. 22: On March 20, 2017, using DocuSign software,
24 an employee of GTS sent an upgrade contract to victim R.G. that
25 solicited a service fee of \$2,347.50 purportedly related to
restitution victim R.G. would receive from his timeshare company.

27 Overt Act No. 23: On or before March 7, 2018, defendant DUARTE
28 sent an email to victim R.G. requesting an additional \$4,475 fee and

1 falsely representing that victim R.G.'s timeshare company had agreed
2 to pay \$66,725.71 in restitution to R.G. The email further falsely
3 stated, "this entire process is guaranteed until your case is
4 resolved" and "this fee will be a fully reimbursed fee back by your
5 ownership."

6 **Victim D.P.**

7 Overt Act No. 24: On April 5, 2017, defendant VANNOY and other
8 co-conspirators called victim D.P. on the telephone to solicit \$7,098
9 based, in part, on the false representation that victim D.P.'s
10 timeshare company would pay D.P. approximately \$74,000 in
11 restitution.

12 Overt Act No. 25: On May 3, 2017, defendant VANNOY and co-
13 conspirator Morrell called victim D.P. to solicit an additional
14 \$5,500 for purported "legal costs." During the phone call, defendant
15 VANNOY falsely stated that he was a member of GTS's "legal team" and
16 that he had traveled to victim D.P.'s timeshare company to complete
17 settlement negotiations.

18 Overt Act No. 26: On May 3, 2017, a co-conspirator caused an
19 upgrade contract to be sent by email to victim D.P. that solicited a
20 service fee of \$5,500 for the "dispute of ownership for the
21 restitution of \$89,527.00."

22 **Victim L.K.**

23 Overt Act No. 27: On May 2, 2017, defendant VANNOY sent victim
24 L.K. an email fraudulently representing GTS would relieve victim L.K.
25 of her timeshare interest and secure a refund from the timeshare
26 company. The email falsely stated, among other things, that GTS has
27 a "high success rate in assisting our clients to recover funds from

1 their resorts on the grounds of illegal and misrepresented sales
2 practices[.]”

3 Overt Act No. 28: On June 30, 2017, defendant VANNOY sent an
4 email to victim L.K. falsely stating, “Per our conversation on
5 6/30/17 I have attached the document confirming you will be receiving
6 \$29,832 plus a refundable payment of \$3,668. Our firm here [a]t
7 Global Transfer SoCal stands behind our agreement 100% and will
8 continue to offer our full money back guarantee if for ANY REASON the
9 claim is not finalized we will refund all payments made to our firm
10 in there entirety.”

11 Overt Act No. 29: On July 21, 2017, defendant DUARTE sent an
12 email to victim L.K. to solicit an additional fee based on the
13 following fraudulent representations: “I am following up on the
14 conversation we had regarding the dispute of ownership case that we
15 are following with you Resort and the agreed upon amount of
16 \$29,832.67 for restitution that has been confirmed. Also as
17 mentioned the fee of \$5995.00 is your last incurred cost in this
18 entire process. I want to assure you that this entire process is
19 guaranteed until your case is resolved. As mentioned this fee will
20 be a fully reimbursed fee back by your ownership. As discussed
21 within the next two weeks this entire process will be concluded.”

22 Overt Act No. 30: On July 21, 2017, using DocuSign software, a
23 GTS employee sent an upgrade contract to victim L.K. soliciting a
24 service fee related to the purported restitution that victim L.K.
25 would receive from her timeshare company.

26 **Victim M.A.**

27 Overt Act No. 31: On June 1, 2017, defendant DUARTE sent an
28 email to victim M.A. requesting a fee of \$4,850 related to “the

1 restitution in the amount of \$125,525.71." Defendant DUARTE further
2 falsely stated that the requested fee would be the "last incurred
3 cost regarding this process (GUARANTEED)" and "[w]e are in the final
4 steps of finalizing your case as I explained" during an earlier
5 telephone call.

6 Overt Act No. 32: On June 2, 2017, using DocuSign software,
7 defendant DUARTE caused a GTS employee to send an upgrade contract to
8 victim M.A. that solicited a service fee related to the restitution
9 that victim M.A. would purportedly receive from her timeshare
10 company.

11 Overt Act No. 33: On June 9, 2017, using DocuSign software, a
12 GTS employee sent an upgrade contract to victim M.A. soliciting
13 another service fee related to the restitution that victim M.A. would
14 purportedly receive from her timeshare company.

15 **Victim L.L.**

16 Overt Act No. 34: On September 13, 2017, defendant VANNOY sent
17 an email to victim L.L. that falsely represented that victim L.L.'s
18 timeshare company would pay L.L. approximately \$32,681 in restitution
19 plus \$8,168 to reimburse victim L.L. for the fees she had paid to
20 GTS. The email also stated, "I wanted to send you this email as
21 reinsurance that Global Transfer stands behind what we say."

22 Overt Act No. 35: On October 11, 2017, defendant VANNOY sent
23 an email to victim L.L. that falsely stated that victim L.L. would
24 receive \$32,681 in restitution from her timeshare and would be
25 reimbursed for \$11,048 in payments she had previously made to GTS.

26 Overt Act No. 36: On February 20, 2018, defendant VANNOY sent
27 an email to victim L.L. that falsely represented that victim L.L.'s
28

1 timeshare company would pay L.L. over \$70,000 in restitution and GTS
2 would reimburse L.L. for the money she had paid to GTS.

3 **Victim D.M.**

4 Overt Act No. 37: On November 9, 2017, defendant VANNOY called
5 victim D.M. to solicit a service fee based on fraudulent
6 representations, including that victim D.M.'s timeshare company
7 offered him a settlement payment of approximately \$23,845.

8 Overt Act No. 38: On November 9, 2017, one or more co-
9 conspirators caused victim D.M.'s timeshare property interest to be
10 transferred to Individual 1.

11 Overt Act No. 39: On January 25, 2018, defendant VANNOY sent
12 an email to victim D.M. to solicit an additional fee of \$4,500, which
13 falsely stated, "I am sending you this email to outline our process
14 in concluding our case with [the timeshare]. The total amount of
15 compensation we are pursuing is for \$55,335 which includes a
16 reimbursement check of \$16,799 for filing and legal expenses incurred
17 throughout this transfer process."

18 **Victim C.I.**

19 Overt Act No. 40: On February 7, 2018, defendant DUARTE caused
20 an email to be sent to victim C.I. to solicit a fee of \$7,775 and
21 which falsely stated that NT was "concluding your dispute of
22 ownership with your timeshare," that the "\$7775.00 is the last
23 incurred fee associated with the process," and that "if we are not
24 successful with the case we would refund the funds in their entirety
25 that you have paid our firm."

26 Overt Act No. 41: On August 15, 2018, an NT employee caused
27 the transmission of a Fraudulent NDA to victim C.I.

1 Overt Act No. 42: On February 28, 2019, in text messages,
2 defendant DUARTE told co-conspirator Morrell that victim C.I. was a
3 "huge client" and that defendant DUARTE had instructed defendant
4 MOLINA to stay in touch with victim C.I.

5 Overt Act No. 43: On March 27, 2019, defendant DUARTE called
6 victim C.I. to solicit a service fee based on a fraudulent
7 representation that he would receive restitution from his timeshare
8 company.

9 **Victim J.S.**

10 Overt Act No. 44: On or before April 5, 2018, an NT employee
11 caused the transmission of a contract to victim J.S. and solicited a
12 service fee related to "restitution of \$29,482.65."

13 Overt Act No. 45: On or before September 9, 2018, an NT
14 employee caused the transmission of a Fraudulent NDA to victim J.S.
15 that falsely stated victim J.S. was entitled to "an estimated
16 \$41,991" in restitution from victim J.S.'s timeshare company.

17 Overt Act No. 46: On October 22, 2018, an NT employee ("NT
18 Employee 1") executed a document transferring the title of victim
19 J.S.'s timeshare ownership interest into NT Employee 1's name.

20 Overt Act No. 47: On April 3, 2019, in text messages, co-
21 conspirator Morrell reported to defendant DUARTE that victim J.S.
22 broke down crying when he and defendant MOLINA asked her for more
23 money.

24 **Victim B.W.**

25 Overt Act No. 48: On June 20, 2018, in a text message, co-
26 conspirator Morrell told defendant DUARTE that the "[l]ast settlement
27 I have for" victim B.W. "was 45,472.86" and that "it's probably
28 higher than that now."

1 Overt Act No. 49: On June 21, 2018, using DocuSign software, a
2 GTS employee sent an upgrade contract to victim B.W. soliciting a
3 service fee related to the purported restitution that victim B.W.
4 would receive from her timeshare company.

5 Overt Act No. 50: On December 10, 2018, during a phone call
6 with victim B.W. in which she demanded a refund of the money she paid
7 NT, defendant MOLINA falsely stated that "we have a settlement coming
8 your way" from victim B.W.'s timeshare company.

9 Overt Act No. 51: On December 10, 2018, during a phone call
10 with victim B.W. in which she demanded a refund of the money she paid
11 to NT, defendant DUARTE falsely stated that he and other NT employees
12 had evidence of the work they performed for victim B.W. that
13 justified the money NT received. Defendant DUARTE also falsely told
14 victim B.W. that NT had transferred the property to Individual 1.

15 **Victim E.H.**

16 Overt Act No. 52: On August 1, 2018, defendant VANNOY sent
17 victim E.H. an email seeking a fee of \$1,500 and falsely stated that
18 it was a "one-time fee" to cover NES's "complete dissolution of your
19 deed with your resort" and that NES has "a high success rate in
20 assisting our clients to recover funds from their resorts" because of
21 the resorts illegal sales practices.

22 **Victim T.W.**

23 Overt Act No. 53: On September 25, 2018, an NES employee sent
24 an email to victim T.W. that falsely stated that NES could relieve
25 T.W. of his timeshare obligations for a "onetime fee" and that NES
26 has "a high success rate in assisting our clients to recover funds
27 from their resorts" because of the resorts illegal sales practices.

28 ///

1 **Victims J.P. and C.P.**

2 Overt Act No. 54: On October 29, 2018, using DocuSign
3 software, an NES employee sent an upgrade contract to victim C.P.
4 soliciting a service fee purportedly related to the restitution that
5 victims J.P. and C.P. would receive from their timeshare company.

6 Overt Act No. 55: On January 28, 2019, one or more co-
7 conspirators caused Individual 2 to sign a document transferring
8 victims J.P. and C.P.'s timeshare ownership into his name.

9 **Victim R.J.**

10 Overt Act No. 56: On November 15, 2018, defendant MOLINA
11 called victim R.J. on the telephone to solicit a fee of approximately
12 \$4,895 based on a fraudulent representation regarding fabricated
13 closing costs.

14 **Victim T.C.**

15 Overt Act No. 57: On December 19, 2018, defendant VANNOY sent
16 an email to victim T.C. soliciting a service fee of \$6,884 and
17 falsely stated that NES could pursue a case against victim T.C.'s
18 timeshare because NES's investigation revealed "evidence of a
19 securities violation, Double backing (unauthorized rental), as well
20 as an unauthorized release of personal information." In the email,
21 defendant VANNOY represented that in lieu "of pursuing legal action
22 on these violations we have an opportunity to pursue restitution (pay
23 out) in the amount of 43,552 on the premise that we surrender the
24 [victim T.C.'s timeshare] ownership back to the resort and Sign a
25 standard non-disclosure agreement." Defendant VANNOY told victim
T.C. the cost to pursue this action was \$6,884.

27 Overt Act No. 58: On December 20, 2018, an NES representative
28 sent victim T.C. an email falsely stated that "the amount of

1 restitution we are pursuing for the Securities Violation & deceptive
2 sales tactics is 23,684 and the cost to pursue is \$3,597. The second
3 restitution case we are pursuing is for predatory lending and double
4 backing (unauthorized rental) for 19,868 and the cost to pursue is
5 \$3,287."

6 **Victim C.C.W.**

7 Overt Act No. 59: On January 28, 2019, defendant MOLINA and
8 co-conspirator Morrell called victim C.C.W. on the telephone to
9 solicit a service fee based on a fraudulent representation that
10 C.C.W. would receive a substantial payment from his timeshare
11 company.

12 **Victim D.W.**

13 Overt Act No. 60: On April 17, 2019, co-conspirator Morrell
14 called victim D.W. on the telephone to solicit a service fee based on
15 a fraudulent representation that NT had received a settlement offer
16 of \$69,000 from D.W.'s timeshare company.

17 Overt Act No. 61: On May 6, 2019, co-conspirator Morrell
18 called victim D.W. on the telephone to solicit a service fee based on
19 the fraudulent representation that the offer of restitution from
20 victim D.W.'s timeshare would increase if he paid the service fee.

21 Overt Act No. 62: On May 16, 2019, defendant MOLINA and co-
22 conspirator Morrell called victim D.W. on the telephone and solicited
23 money from victim D.W. based on the fraudulent representation that
24 defendant MOLINA was at victim D.W.'s timeshare company to complete a
25 settlement with victim D.W.'s timeshare company and that D.W. could
26 join a class action lawsuit against D.W.'s timeshare company for a
27 fee.

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General Operation and Concealment of the Fraud Scheme

Overt Act No. 63: On September 28, 2017, defendant MCDONAGH sent an email to defendant ORTIZ with "leads," that is, a list of individuals owning timeshares and their contact information. Defendant MCDONAGH instructed defendant ORTIZ to distribute these "leads" to the GTS employees.

Overt Act No. 64: On May 25, 2018, in text messages, defendant MCDONAGH pressured co-conspirator Morrell to close \$15,000 in deals.

Overt Act No. 65: On May 25, 2018, in response to the text messages described in Overt Act No. 64, co-conspirator Morrell sent a text message to defendant MCDONAGH stating, "I'll call my whales[.]"

Overt Act No. 66: On May 25, 2018, in response to the text message referenced in Overt Act No. 65, defendant MCDONAGH sent a text message to co-conspirator Morrell stating, "Ok well pressures on bro[.]"

Overt Act No. 67: On July 12, 2018, defendant MCDONAGH caused the transfer of \$165 from NT's Bank of America account to C.C. as payment for Individual 1 agreeing to have a victim's timeshare ownership transferred into her name.

Overt Act No. 68: On August 13, 2018, in text messages, defendant VANNOY and co-conspirator Morrell discussed limiting the amount of money solicited from victims to conceal their fraudulent scheme. In those texts, defendant VANNOY stated that he did not charge over \$10,000 for upgrades, did not like clients "pay[ing] astronomical amounts," and would not permit a client to pay over 50,000 in total. Defendant VANNOY added that "I don't send out emails and I won't give them anything like incriminating us."

1 Overt Act No. 69: On August 29, 2018, in text messages, co-
2 conspirator Morrell asked defendant MCDONAGH, "I have a client that
3 is a sheriff [in Ohio], tony thinks its okay to upg him. What do
4 yout think?" After defendant MCDONAGH responded that it "should be
5 fine," co-conspirator Morrell stated, "I just think hitting the
6 lawyer and cop is asking for trouble."

7 Overt Act No. 70: On August 29, 2018, in response to the text
8 message inquiry from co-conspirator Morrell referenced in Overt Act
9 No. 69, defendant MCDONAGH sent a text message to co-conspirator
10 Morrell stating, "[o]k then back off don't [do] the cop then."

11 Overt Act No. 71: On October 22, 2018, defendant MCDONAGH
12 caused the issuance of a \$330 check drawn on NT's Bank of America
13 account payable to NT Employee 1 as payment for NT Employee 1
14 agreeing to have a victim's timeshare ownership transferred into his
15 name.

16 Overt Act No. 72: On December 12, 2018, in text messages, in
17 response to Individual 2's complaints about not having enough money
18 to cover his rent, defendant ORTIZ suggested that Individual 2 make
19 additional money by transferring more victim timeshares into
20 Individual 2's name.

21 Overt Act No. 73: On December 13, 2018, in text messages
22 discussing fraudulent upgrade payments, defendant MCDONAGH told co-
23 conspirator Morrell that he would set guidelines for upgrade payments
24 because defendant MCDONAGH was "taking a lot of risk and some times
25 not even getting pai[d]."

26 Overt Act No. 74: On December 17, 2018, an NES employee wrote
27 a \$300 check drawn on NES's Bank of America account to Individual 2
28 as payment for transferring timeshare ownership(s) into his name.

1 Overt Act No. 75: On January 5, 2019, in text messages with
2 co-conspirator Morrell and defendants DUARTE and MOLINA about ways to
3 minimize risk of their fraudulent scheme being revealed, defendant
4 MCDONAGH provided a new "structure" to NT closers that permitted
5 closers to do two upgrades per week "no questions asked" but limited
6 the amount charged to any "client" no matter "how big a whale" to
7 \$50,000.

8 Overt Act No. 76: On January 5, 2019, in response to the text
9 messages sent by defendant MCDONAGH referenced in Overt Act No. 75,
10 defendants DUARTE and MOLINA confirmed in text messages that they
11 agreed with defendant MCDONAGH's new approach concerning fraudulent
12 upgrade payments in order to minimize risk of their fraudulent scheme
13 being revealed.

14 Overt Act No. 77: On January 7, 2019, in text messages, after
15 co-conspirator Morrell told defendant VANNOY he was worried about a
16 possible criminal investigation based on their fraudulent activities,
17 defendant VANNOY stated the worst victims could do is "sue" co-
18 conspirator Morrell for "elderly abuse" and that defendant VANNOY
19 thought the maximum criminal penalty was a \$1,000 fine or a year in
20 county jail.

21 Overt Act No. 78: On January 7, 2019, in text messages, co-
22 conspirator Morrell asked defendant VANNOY if defendant VANNOY was
23 concerned about victim C.R. and her allegation that company employees
24 engaged in criminal "racketeering".

25 Overt Act No. 79: On January 7, 2019, in text messages,
26 defendant VANNOY told co-conspirator Morrell, "Well they're stupid
27 and don't know what racketeering is LOL" and suggested that co-
28 conspirator Morrell and NT should not "hit people so hard."

1 Overt Act No. 80: On January 7, 2019, in text messages, after
2 learning that the California Department of Real Estate was
3 investigating their telemarketing operations, defendant DUARTE and
4 co-conspirator Morrell agreed to continue destroying victim files.

5 Overt Act No. 81: On January 7, 2019, in text messages, in
6 response to their discussion about the legal consequences for "elder
7 abuse," "racketeering," and "wire fraud[,] mail fraud[,] gross
8 negligence[,] and dishonesty", defendant VANNOY and co-conspirator
9 Morrell discussed a strategy to limit the total amount of upgrade
10 payments to "[n]othing more than 50k."

11 Overt Act No. 82: On January 9, 2019, in text messages, co-
12 conspirator Morrell told defendant MCDONAGH that he agreed the co-
13 conspirators needed more money but stated he was afraid "to hit our
14 big whales" since they could cause "more problems."

15 Overt Act No. 83: On January 9, 2019, in text messages with
16 co-conspirator Morrell, defendant MCDONAGH directed that defendant
17 DUARTE and co-conspirator Morrell could use the word "settlement" in
18 an email to a victim so long as it did not contain "numbers."

19 Overt Act No. 84: On January 30, 2019, via text messages,
20 defendant DUARTE told co-conspirator Morrell that "[s]omehow they
21 connected all of us[,]" exclaimed "Fuk," and then sent co-conspirator
22 Morrell screenshots of reviews that clients had posted on various
23 websites that included specific references to defendant DUARTE and
24 co-conspirator Morrell .

25 Overt Act No. 85: On January 31, 2019, in text messages,
26 defendant VANNOY provided co-conspirator Morrell the name of the
27 website he used to delete bad BBB reviews of NES so that co-

1 conspirator Morrell could use the website to delete bad reviews of
2 NT.

3 Overt Act No. 86: On February 26, 2019, in text messages
4 responding to co-conspirator Morrell's complaints that NT had
5 "problem clients everywhere. They keep calling the resort", defendant
6 MCDONAGH instructed co-conspirator Morrell to change NT's contract
7 language to prevent future victims from contacting their timeshare
8 resorts.

9 Overt Act No. 87: On March 7, 2019, in text messages
10 responding to co-conspirator Morrell's complaint that he had lost
11 deals because NT did not have enough positive reviews on a website,
12 defendant MCDONAGH told co-conspirator Morrell that he instructed an
13 NT employee to do "what Chris [defendant VANNOY] does" to "blocks bad
14 reviews" and "put[] up good ones."

15 Overt Act No. 88: On March 7, 2019, in text messages,
16 defendant MCDONAGH instructed an NT employee to contact defendant
17 VANNOY and "figure how he does the thing we're he can block bad
18 reviews on line and put up good ones please."

19 Overt Act No. 89: On March 13, 2019, in text messages
20 responding to co-conspirator Morrell's request to have more people
21 write fake positive reviews of NT on the BBB website, defendant
22 MCDONAGH told an NES employee to write a false, positive review of NT
23 on the BBB website.

24 Overt Act No. 90: On March 14, 2019, defendant MCDONAGH sent a
25 text message to co-conspirator Morrell asking whether co-conspirator
26 Morrell had "everyone create an email" address so they could create
27 fake positive reviews for NT.

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1 Overt Act No. 91: On March 19, 2019, in a text message
2 responding to co-conspirator Morrell's request to "flood [the Better
3 Business Bureau] ... with positive reviews," defendant MCDONAGH
4 confirmed that he would do so.

5 Overt Act No. 92: On April 1, 2019, in text messages
6 responding to defendant ORTIZ's complaints about not making enough
7 money and his concern with the risk he was taking having NES in his
8 name, defendant MCDONAGH told defendant ORTIZ he was making \$6,000
9 per month.

10 Overt Act No. 93: On April 1, 2019, in text messages,
11 defendant ORTIZ agreed with defendant MCDONAGH that he was receiving
12 "good money" and stated that he "hoped in the long run when" NES is
13 "done" that defendant ORTIZ would not be "stuck with all the
14 blowback" and "[y]ou either owe money for the rest of ur life or u go
15 to prison."

16 Overt Act No. 94: On April 1, 2019, in text messages,
17 defendant MCDONAGH told defendant ORTIZ that "it's def a risk but I
18 mean I shut down global over a year ago and nothing! 'Knock on wood'
19 but I mean it's a decision you personally have to make ive made piece
20 with it ive been a criminal my whole life and now it's actually
21 benefiting me[.]"

22 Overt Act No. 95: On May 8, 2019, in text messages, defendant
23 MCDONAGH and co-conspirator Morrell discussed the need to have BBB
24 stop rejecting their fake positive reviews for NT and having NT
25 employees go to the library to use a different an internet protocol
26 address in order to more successfully post multiple fake positive
27 reviews. Defendant MCDONAGH also told co-conspirator Morrell to

1 offer his employees a small cash reward for every two fake positive
2 reviews for NT the employees wrote.

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1 COUNTS TWO THROUGH TWENTY-NINE

2 [18 U.S.C. §§ 1343, 2326(2), 2(a)]

3 [ALL DEFENDANTS]

4 A. SCHEME TO DEFRAUD

5 13. Beginning no later than in or about 2015 and continuing
6 through on or about May 16, 2019, in Los Angeles, Orange, and
7 Riverside Counties, within the Central District of California, and
8 elsewhere, defendants MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ,
9 together with others known and unknown to the Grand Jury, knowingly
10 and with intent to defraud, devised, participated in, and executed a
11 scheme to defraud people holding timeshare property interests (the
12 "victims") as to material matters, and to obtain moneys, funds,
13 assets, and other property owned by and in the custody and control of
14 the victims by means of materially false and fraudulent pretenses,
15 representations, and promises, and the concealment of material facts,
16 in connection with the conduct of telemarketing and email marketing,
17 as defined in Title 18, United States Code, Section 2325, and, in so
18 doing, victimized ten or more persons over the age of 55.

19 14. The fraudulent scheme operated and was carried out, in
20 substance, as described in Paragraph 11 of this Indictment, which is
21 incorporated here.

22 B. USE OF THE WIRES

23 15. On or about the dates set forth below, within the Central
24 District of California, and elsewhere, defendants MCDONAGH, DUARTE,
25 VANNOY, MOLINA, and ORTIZ, for the purpose of executing the above-
26 described scheme to defraud, transmitted and caused the transmission
27 of the following items by means of wire communication in interstate
28 commerce:

COUNT	DATE	DEFENDANTS	WIRE
TWO	May 2, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant VANNOY in California, to victim L.K. in New Hampshire.
THREE	May 3, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Telephone solicitation from defendant VANNOY and co-schemer Morrell from California to victim D.P. in New York.
FOUR	May 3, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Transmission of upgrade contract via DocuSign from a GTS employee in California to victim D.P. in New York.
FIVE	May 22, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant DUARTE in California to victim C.M.W. in Minnesota.
SIX	June 1, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant DUARTE in California to victim M.A. in Massachusetts.
SEVEN	June 2, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Transmission of upgrade contract via DocuSign from a GTS employee in California to victim M.A. in Massachusetts.
EIGHT	June 9, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Transmission of upgrade contract via DocuSign from a GTS employee in California to victim M.A. in Massachusetts.
NINE	June 30, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email from defendant VANNOY in California to victim L.K in New Hampshire.
TEN	July 17, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant DUARTE in California to victim C.R. in Arizona.
ELEVEN	July 21, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email from defendant DUARTE in California to victim L.K. in New Hampshire.
TWELVE	September 13, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email from defendant VANNOY in California to victim L.L. in Missouri.

COUNT	DATE	DEFENDANTS	WIRE
THIRTEEN	October 11, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email from defendant VANNOY in California to victim L.L. in Missouri.
FOURTEEN	November 9, 2017	MCDONAGH, DUARTE, VANNOY, and MOLINA	Transmission of upgrade contract via DocuSign from a GTS employee in California to victim D.M. in Nevada.
FIFTEEN	January 25, 2018	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant VANNOY in California to victim D.M. in Nevada.
SIXTEEN	February 7, 2018	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email solicitation from defendant DUARTE in California to victim C.I. in Texas.
SEVENTEEN	February 20, 2018	MCDONAGH, DUARTE, VANNOY, and MOLINA	Email from defendant VANNOY in California to victim L.L. in Missouri.
EIGHTEEN	March 7, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Email solicitation from defendant DUARTE in California to victim R.G. in Oklahoma.
NINETEEN	April 5, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Transmission of upgrade contract via DocuSign from an NT employee in California to victim J.S. in Pennsylvania.
TWENTY	June 21, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Transmission of upgrade contract via DocuSign from an NT employee in California to victim B.W. in California.
TWENTY-ONE	September 21, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Transmission of upgrade contract via DocuSign from an NES employee in California to victim E.H. in California.
TWENTY-TWO	October 29, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Transmission of upgrade contract via DocuSign from an NES employee in California to victims J.P. and C.P. in Nevada.

COUNT	DATE	DEFENDANTS	WIRE
TWENTY-THREE	November 15, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Telephone solicitation from defendant MOLINA in California to victim R.J., in Florida.
TWENTY-FOUR	December 19, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Email solicitation from defendant VANNOY in California to victim T.C. in Connecticut.
TWENTY-FIVE	December 20, 2018	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Email from an NES employee in California to victim T.C. in Connecticut.
TWENTY-SIX	January 28, 2019	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Telephone call from defendant MOLINA and co-conspirator Morrell in California to victim C.C.W. in Virginia.
TWENTY-SEVEN	March 27, 2019	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Telephone solicitation from defendant DUARTE in California to victim C.I. in Texas.
TWENTY-EIGHT	April 3, 2019	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Telephone solicitation from defendant MOLINA and co-conspirator Morrell in California to victim J.S., in Pennsylvania.
TWENTY-NINE	May 16, 2019	MCDONAGH, DUARTE, VANNOY, MOLINA, and ORTIZ	Telephone solicitation from defendant MOLINA and co-conspirator Morrell in California to victim D.W. in Washington.

1 FORFEITURE ALLEGATION

2 [18 U.S.C. § 2328(a)]

3 1. Pursuant to Rule 32.2 of the Federal Rules of Criminal
4 Procedure, notice is hereby given to defendants that the United
5 States will seek forfeiture as part of any sentence in accordance
6 with Title 18, United States Code, Section 2328(a), in the event of
7 any defendant's conviction of the offenses set forth in any of Counts
8 One through Twenty-Nine of this Indictment.

9 2. Any defendant so convicted shall forfeit to the United
10 States the following:

11 (a) All right, title and interest in any and all property,
12 real or personal, constituting or traceable to gross proceeds
13 obtained as a result of such offense;

14 (b) All right, title and interest in any and all
15 equipment, software, or other technology used or intended to be used
16 to commit or facilitate the commission of such offense; and

17 (c) To the extent such property is not available for
18 forfeiture, a sum of money equal to the total value of the property
19 described in subparagraphs (a) and (b).

20 3. Pursuant to Title 21, United States Code, Section 853(p),
21 as incorporated by Title 18, United States Code, Section 2328(b), any
22 defendant so convicted shall forfeit substitute property, up to the
23 value of the property described in the preceding paragraph if, as the
24 result of any act or omission of said defendant, the property
25 described in the preceding paragraph or any portion thereof (a)
26 cannot be located upon the exercise of due diligence; (b) has been
27 transferred, sold to, or deposited with a third party; (c) has been
28 placed beyond the jurisdiction of the court; (d) has been

1 substantially diminished in value; or (e) has been commingled with
2 other property that cannot be divided without difficulty.

3
4 A TRUE BILL
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7 /S/
8 Foreperson
9

10 TRACY L. WILKISON
11 United States Attorney
12



13 SCOTT M. GARRINGER
14 Assistant United States Attorney
15 Chief, Criminal Division

16 MACK E. JENKINS
17 Assistant United States Attorney
18 Chief, Public Corruption and
19 Civil Rights Section

20 DANIEL J. O'BRIEN
21 Assistant United States Attorney
22 Deputy Chief, Public Corruption
23 and Civil Rights Section

24 THOMAS F. RYBACZYK
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28 IAN V. YANNIELLO
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